

NEWS RELEASE



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SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

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For Immediate Release

NEWS RELEASE SUMMARY - December 19, 2006

United States Attorney Carol C. Lam announced that an indictment was unsealed today charging Francisco Javier Arellano-Felix and Manuel Arturo Villarreal-Heredia with racketeering, drug trafficking, and money laundering offenses. The defendants will be arraigned on the indictment on December 20, 2006, at 10:30 a.m., before United States Magistrate Judge Jan M. Adler.

According to the indictment, Arellano and Villarreal are members of the Arellano-Felix Drug Trafficking Organization (AFO). The AFO is alleged to be an international criminal organization whose members and associates engage in the illegal trafficking of narcotics; the laundering of drug proceeds; the kidnaping, torture, and murder of informants, rival traffickers, uncooperative law enforcement, and other perceived enemies of the AFO; the kidnaping of individuals for money; the “taxing” of individuals conducting criminal offenses in the areas of Tijuana and Mexicali; and the systematic bribing of Mexican law enforcement and military personnel.

The indictment charges that Arellano has been an AFO member since 1991 and, since March 2002, the AFO's principal organizer and top leader. Villarreal allegedly has been an AFO member since at least 1998 and, since March 2002, one of Arellano's top six under bosses, in command of crews that carried out enforcement operations and drug trafficking activities on behalf of the AFO.

The indictment charges Arellano and/or Villarreal with several specific drug trafficking acts, including but not limited to: the possession with intent to distribute more than 4,000 kilograms of cocaine in 1991; the importation of about 240 kilograms of cocaine in 1995; and the importation of about 908 kilograms of marijuana in 2000.

The indictment also charges Arellano and/or Villarreal with several specific violent acts, including but not limited to: the murder of Fernando Gutierrez in 1996; the kidnaping of individuals in January 2002, in the spring of 2004, and in January 2005; the murder of Deputy Police Chief Hugo Gabriel Coronel Vargas in Tijuana in January 2005; the murder of Jorge Bedolla Ceron in Tijuana in February 2005; and the kidnaping, murder, and beheading of three Rosarito Beach police officers and one civilian in June 2006.

Count six of the indictment charges Arellano and Villarreal with operating a continuing criminal enterprise, under which they are eligible for the death penalty. The decision whether to seek the death penalty will be made by the Attorney General of the United States at a later date.

Arellano and Villarreal are currently in custody in San Diego. According to court documents, on August 14, 2006, the U.S. Coast Guard found them aboard a fishing vessel, the Dock Holiday, in international waters off the coast of Mexico. They were transported to San Diego and arrested. Francisco Javier Arellano-Felix was previously arraigned on charges in case number 97cr2520-LAB. It is anticipated that he will be dismissed from that indictment subsequent to his arraignment tomorrow.

DEFENDANTS **Case Number: 06cr2646-LAB**

Name: Francisco Javier Arellano-Felix

Name: Manuel Arturo Villarreal-Heredia

SUMMARY OF CHARGES

Count 1 - Title 18, United States Code, Section 1962(c) –
Conducting the Affairs of an Enterprise Through a Pattern of Racketeering Activity

Count 2 - Title 18, United States Code, Section (1962)(d) –
Conspiracy to Conduct the Affairs of an Enterprise Through a Pattern of Racketeering Activity

Maximum Penalties: Life imprisonment
\$250,000 fine
5 years of supervised release

Count 3 - Title 21, United States Code, Sections 952, 960, 963 –
Conspiracy to Import Controlled Substances

Count 4 - Title 21, United States Code, Sections 959, 960, 963 –
Conspiracy to Distribute Controlled Substances with Intent to Import

Count 5 - Title 21, United States Code, Sections 841, 846 –
Conspiracy to Distribute Controlled Substances

Maximum Penalties: Life imprisonment
\$4 million fine
5 years of supervised release

Count 6 - Title 21, United States Code, Section 848 –
Continuing Criminal Enterprise

Maximum Penalty: Death
\$2 million fine
5 years of supervised release

Count 7 - Title 18, United States Code, Section 1956
Conspiracy to Launder Monetary Instruments

Maximum Penalty: 20 years of imprisonment
\$500,000 fine or twice the value of the property involved, whichever is greater
3 years of supervised release

INVESTIGATING AGENCIES

Drug Enforcement Administration
Federal Bureau of Investigation
Internal Revenue Service, Criminal Investigations
California Department of Justice, Bureau of Narcotics Enforcement

An indictment itself is not evidence that the defendants committed the crimes charged and are presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.